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FIVESTAR COMPUTERS COMPANY BACKGROUND

CARROLLTON, TX, June 13, 1988 -- FIVESTAR Computers is one of the fastest growing computer companies in the U.S. today.

Dedicated to producing well-engineered, high-performance personal computer products, FIVESTAR has achieved record sales and rapidly expanded its work force and facilities since its founding in 1985.

Starting as a computer distributor, the company broadened its focus in late 1985 and began configuring computers "to order" for its customers. In 1986, FIVESTAR standardized its supply sources and intensified quality assurance, ensuring top quality and fully compatible products. Seeing a well defined market for compatible suppliers, fueled by IBM's announcement of its PS/2, in 1987 FIVESTAR decided to sell directly to corporations, through the retail market and direct response.

Focusing on quality, performance, service, and price,
FIVESTAR has experienced rapid growth and success, with sales
more than doubling every year. With the decline in brand
loyalty, the reality of more sophisticated personal computer
buyers, and FIVESTAR'S ability to offer products with better
performance than brand name sellers at lower prices, FIVESTAR
has become a major supplier of PC compatible products.

FIVESTAR manufactures its computers at its Dallas, Texasbased headquarters. All development, production, technical service and support occurs at this facility, as does warehousing, shipping, and other corporate functions.

FIVESTAR has a balanced distribution approach and markets to corporations through inside and outside sales, national bids, and two retail showrooms. FIVESTAR has toll free telephone lines for sales, service, and support. FIVESTAR's highly knowledgeable sales staff assist customers in selecting the best system for their needs.

Every FIVESTAR computer system is fully tested and certified with a comprehensive 48-hour burn-in before shipment.

Each system comes with a one-year on-site service agreement which covers all parts and labor. An Operations Guide is

also included. FIVESTAR also offers nationwide leasing with 100% financing, which covers all costs including taxes and delivery.

PRODUCT LINE

FIVESTAR offers a full line of personal computer products which incorporate the latest technology. Currently FIVESTAR offers five desktop models—XL/10, 286/10, 386/20, FS286, and FS386—and various peripherals, interface cards, and software. FIVESTAR only offers high quality, reliable products from vendors such as Seagate, Paradise, Hercules, and Panasonic.

XL/10

The XL/10 is an XT compatible computer offering enormous performance advantages at an attractive price. Fully operational with readily available industry standard software, the XL/10 is targeted for business and personal use. It has dual selectable speeds of 4.77 and 10MHz, providing flexibility with today's applications. The XL/10 is a feature rich system, with 640KB of RAM, 5.25-inch 360KB diskette drive, 101-key keyboard, parallel, serial, and game ports, clock/calendar. It is available in several different

video and storage configurations. Video combinations include monochrome, CGA, EGA, and VGA; both 20MB and 40MB hard disks are available.

286/10

The 286/10 is based on an 80286 microprocessor, with user selectable speeds of 6 and 10MHz, 0 wait state, and is totally AT compatible. This system has an impressive Landmark rating of 13.3MHz, and offers superior performance. It will run virtually any IBM compatible software package. The 286/10 is equipped with 640KB of RAM; 5.25-inch 1.2MB diskette drive; 101-key keyboard; clock/calendar; parallel, serial, and game ports; eight expansion slots; activity panel lights; and 250 watt power supply. Peripheral video options include a monochrome, EGA, or VGA display combination; hard disk options include 20MB, 40MB, or 80MB drives.

386/20

FIVESTAR's fastest system, the 386/20, uses a 32-bit 80386 microprocessor. This powerful AT compatible system has the flexibility needed to run today's advanced applications. It offers dual speeds of 6 or 20MHz, operating a 0 wait state, plus 1MB of 32-bit RAM and 64KB of cache memory. It yields an incredible Landmark rating of 30MHz. Standard

features include a 5.25-inch 1.2MB floppy disk drive, 101-key keyboard, serial, parallel, and game ports, eight expansion slots, panel activity lights, and a 250 watt power supply. Options for the 386/20 include monochrome, EGA, or VGA display combinations, plus 40MB, 80MB, or 160MB hard disk drives.

FS (FILESERVER) SERIES

In addition to the XL/10, 286/10, and 386/20, which incorporate standard motherboard designs, FIVESTAR has two products, the FS286 and FS386, which utilize an advanced backplane or open slotcard technology. Allowing for maximum expandability, these computers are adaptable to the changing needs of the user. They are ideal as a network server, or as a superior standalone workstation.

The FS286 runs under a 16-bit 80286 microprocessor, with the CPU card plugged into one of the 12 expansion slots. Other features include switchable speeds of 6 or 10MHz, 640KB of RAM, 5.25-inch 1.2M floppy disk drive, 101-key keyboard, clock/calendar, 2 serial ports, parallel port, and a 238 watt power supply.

The FS386, FIVESTAR's most powerful computer system, is a high-powered business system, unmatched in today's market. It runs under a 32-bit Intel 80386 microprocessor, with

selectable speeds of 6 or 20MHz, operating at 0 wait state. The entire CPU is on a standard interface card plugged into one of the 12 expansion slots. This sophisticated computer system also provides 2MB of memory, expandable to 16MB of 32-bit memory; 5.25-inch 1.2MB floppy disk drive; clock/calendar; enhanced 101-key keyboard; serial and parallel ports; and a 238 watt power supply.

Both the FS286 and FS386 can be configured with a variety of display combinations including a monochrome, EGA, or VGA adapater card and monitor. Storage options for this series include 40MB, 80MB, and 160MB hard disks.

MANAGEMENT

FIVESTAR Computer's executive management is comprised of a team of talented individuals who have vast computer, electronics, and strong business experiences.

Jhon Cybuski is co-founder and President of FIVESTAR.

Mr. Cybuski's former accomplishments include the design and set-up of Tandy's first TRS-80 manufacturing facility in Ft.

Worth, TX; top national salesperson for almost four years at Tandy's Computer Centers; and National Sales Manager with Computer Mate, a regional computer distributor.

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Tom Dodson is co-founder and Executive Vice President of FIVESTAR. Prior to joining FIVESTAR, Tom was President of DalTex Electronics and PC Peripherals. Mr. Dodson is responsible for FIVESTAR's product offering, marketing, and sales.

Lance Huff joined FIVESTAR in November 1985 as Vice

President. Mr. Huff came to FIVESTAR from Cole Computer

Company, which he had started and operated for three years.

Michael Ross, Vice President of Finance and Controller, joined FIVESTAR in early 1987. Earlier, Mr. Ross served as a Controller at a local Dallas firm, and also worked at Ernst & Whinney, a public accounting firm.

